GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:972
ANSWERED ON:23.11.2007
NATIONAL INVESTMENT FUND
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

(a) whether Government has launched National Investment Fund (NIF);

(b) if so, the details along with its utility thereof;

(c) whether any Advisory Board is also set up to advice the NIF on various aspects of the functioning of the Fund; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a) Yes, Sir. The National Investment Fund was launched on 6th October, 2007;

(b) The proceeds from disinvestment of Government`s equity in Central Public Sector Enterprises would be channelised into the National Investment Fund (NIF). The corpus of NIF will be of a permanent nature. NIF would be professionally managed to provide sustainable returns to the Government, without depleting the corpus. 75% of the annual income of NIF will be used to finance selected social sector schemes, which promote education, health and employment. The residual 25% of the annual income of NIF will be used to meet the capital investment requirements of profitable and revivable PSUs.

(c) Yes, Sir.

(d) The Advisory Board was constituted with the following part-time members:

i. Shri S.B.Mathur, Former Chairman, LIC.;
ii. Shri B.D.Narang Former Chairman, Oriental Bank of Commerce; and
iii. Shri D.H.Pai Panandiker, President RPG Foundation and Chairman International Life Sciences Institute, India.